MAY 12, 2020 | TUESDAY ISSUE 217

THE DAILY LIFELINE

Official Newsletter from Diucon

WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY

- Goods & Service Tax
- Other Indirect Taxes
- Direct Tax Code
- Income Tax
- Economy | Finance
- Insolvency Laws
- Corporate Laws

EYE-CATCHING DOCUMENT TO KEEP EVERYONE UPDATED IN TODAY'S RAPIDLY CHANGING ENVIRONMENT.

By Pradeep Goyal, Chartered Accountant FCA | CPA, Australia | Forensic Auditor & Fraud Examiner | Registered Valuer | Insolvency Professiona| ICAI Certified GST Expert

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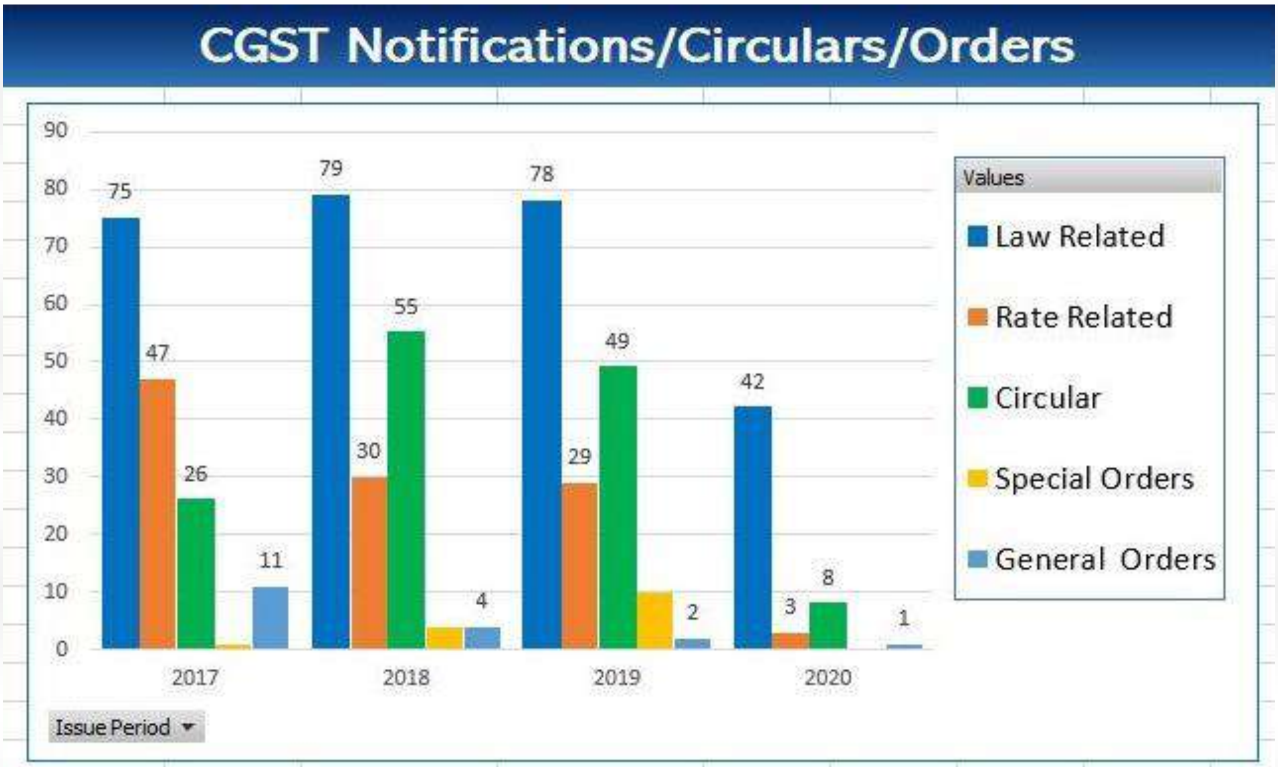
UPDATES RELATED TO

[From Monday to Friday | 5 days a week | No updates on Saturdays and Sundays due to closure of all government departments]

Indirect Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBIC" and Government.**

  ❖ Summary of total number of notifications/circulars/orders issued under Central Goods and Service Tax Act, 2017 by government from 21st June 2017 to 12th May 2020.



[Corresponding notifications have been issued under SGST, UTGST & IGST laws]

❖ **National Anti-profiteering Authority in GST**

National Anti-profiteering Authority is being constituted by the central Government to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him, this is to ensure that the consumer is protected from arbitrary price increase in the name of GST.

To know more, read this E-flyer issued by CBIC

- **Legal Updates- Advance Ruling Authorities / Tribunals / High Courts / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 116 taxmann.com 428 Anil Kumar Agrawal, In re ADVANCE RULING NO. KAR ADRG 30 OF 2020 MAY 4, 2020	AAR Karnataka	Income received towards (i) salary/remuneration as a Non-Executive Director of a private limited company (ii) renting of commercial property and (iii) renting of residential property and (iv) values of amounts extended as deposits/loans/advances out of which interest is being received are to be included in aggregate turnover, for registration.
2	[2020] 116 taxmann.com 422 San Engineering & Locomotive Company Ltd., In re ADVANCE RULING NO. KAR ADRG 21 OF 2020 APRIL 23, 2020	AAR Karnataka	Supply of power packs and freight insurance charges is composite supply which would form part of value of supply of power packs and applicable tax related to such power packs and time of supply would apply to entire transaction. However, supply of commissioning/installation services in respect of such power packs are independent services.

- **News / Latest Developments / Other updates**

❖ **Maharashtra seeks GST refund, says state has lost ₹35,000 cr battling covid-19.**
Maharashtra Chief minister Uddhav Thackeray on Monday said that covid-19 pandemic and the lockdown has left the state with a ₹35,000-crore loss and the central government should therefore credit the entire amount in the form of GST refund as soon as possible. In addition, GST duty on medical equipment should be waived and customs duty too should be waived as some institutions are importing equipment.
Mint Report

Direct Taxes

- **Legal Updates- CIT (Appeals) / Tribunals / High Courts / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 115 taxmann.com 292 Shreenathji Cotgin (P.) Ltd. v. Income-tax Officer Ward 2(1)(5) R/SPECIAL CIVIL APPLICATION NO. 22042 OF 2019 DECEMBER 11, 2019	Gujrat High Court	Where Assessing Officer sought to reopen assessment in case of assessee on ground that it was a beneficiary of entries from a transaction with two entry operators and their sister concerns, however assessee in response to notice under section 133(6) had informed that they had no transaction with both entry operators and were not aware of their sister concerns, re-opening of assessment was not justified.

ICAI Announcements

- **ICAI issued note on Going Concern - Key Considerations for Auditors amid COVID-19.**

  Download here

- **ICAI issued clarification on Fees from a Single Client – As per revised Code of Ethics which will come into effect w.e.f 1st July 2020.**

  It may be clarified that there is NOT a bar in the revised Code of Ethics on acceptance of more than 15% fees from a single client. There is only requirement of disclosure , and taking safeguards prescribed therein, if the total gross annual professional fees from the audit client and its related entities represent more than 15% of the total fees received by the firm expressing the opinion on the financial statements of the client for two consecutive years.

  Read this announcement

- **Important Notification - Change in date of ISA Eligibility Test from Saturday 13th June 2020 to 18th July from 10:00 am - 12:30 pm.**
  Read here for more

- **GST & Indirect Taxes Committee is organising Live Webcast on Input Tax Credit and Foreign Trade Policy on May 14,2020 from 11:00 a.m. to 2:00 p.m.**
  Read here for more details

- **Register for ICAI-CPA Australia Information Webinar on Mutual Recognition Agreement on 16 May 2020 at 1100 Hrs.**
  Visit here to proceed further

Insolvency & Bankruptcy

- **Legal Updates- NCLTs / NCL-ATs / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 115 taxmann.com 279 Eight Capital India (M) Ltd. Vs Wellknit Apparels (P.) Ltd. IBA NO. 312 OF 2019 December 11, 2019	NCLT Chennai	Fully convertible debentures are financial instruments within meaning of section 5(8) and there being clear default on part of respondent in repayment, CIRP was to be initiated.
2	[2020] 115 taxmann.com 280 PNB v Hanung Toys and Textiles Ltd. COMPANY PETITION (IB) NO. 953/PB/2018 MARCH 28, 2019	NCLT Delhi	Pendency of winding up petition would not bar to initiate proceeding u/s 7 of IBC.

- **News / Latest Developments / Other updates**

❖ **With IBC suspended, now pave the way for pre-packaged insolvency?**

While IBC in its current avatar would remain suspended for fresh cases, it becomes pertinent that alternative solutions to address the stress in the system be explored. Pre-packaged insolvency or more colloquially, "Pre-Pack" is one such promising solution. Essentially, a pre-pack is a mix of an out-of-court restructuring scheme and formal insolvency process where the terms of sale are pre-negotiated and finalised with approvals of creditors prior to filing for insolvency with the court. After obtaining the approval of the court, the plan gets implemented through the mechanism of the IBC and is binding on all the stakeholders. Pre-Pack has been in existence in developed countries like the US and the UK for many years and has enjoyed a fair bit of success.

Finance Express Report

Reserve Bank of India

❖ **Finances of Non-Government Non-Financial Private Limited Companies, 2018-19: Data Release**

Reserve Bank released on its website data relating to finances of non-government non-financial (NGNF) private limited companies for 2018-19, based on audited annual accounts of 2,29,312 companies having 32.8 per cent share in the total paid-up capital (PUC) of such companies at end-March 2019. Data have been presented for the three-year period of 2016-17 to 2018-19 to facilitate comparison.

Read here for more

Economy & Finance

❖ **Bad bank may start with Rs 60K-crore NPAs; govt may put in Rs 10K crore**

Banks are likely to move big-ticket bad loans amounting to over Rs 60,000 crore to an asset reconstruction company (ARC), which will focus on turning around non-performing assets (NPAs) and enhancing value. Banks are likely to transfer more stressed assets going forward.

Business Standard Report

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Knowledge shared= Knowledge²

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About Scribbler

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